

Message Text

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ACTION EB-07

INFO OCT-01 ARA-10 EUR-12 ISO-00 AGRE-00 CEA-01
CIAE-00 COME-00 DODE-00 FRB-01 H-02 INR-07 INT-05
L-03 LAB-04 NSAE-00 NSC-05 PA-02 EPG-02 AID-05
SS-15 STR-04 ITC-01 TRSE-00 USIA-15 PRS-01 SP-02
OMB-01 FEA-01 AF-10 EA-09 NEA-10 IO-13 OIC-02
/151 W

-----202243Z 112944 /70

P 201240Z MAY 77

FM AMEMBASSY BRASILIA

TO SECSTATE WASHDC PRIORITY 1728

INFO AMEMBASSY LONDON

AMCONSUL RIO DE JANEIRO

AMCONSUL SAO PAULO

UNCLAS BRASILIA 4070

E.O. 11652: N/A

TAGS: EAGR, EPAP, ETRD, BR

SUBJECT: RESTRICTIONS ON COFFEE SALES

REF: (A) STATE 111015, (B) SAO PAULO 1260, (C) BRASILIA 3197

(NOTAL), (D) RIO DE JANEIRO 2191 (NOTAL)

1. IN MID-APRIL THE IBC PROHIBITED THE EXPORTATION OF TYPE 7 AND 8 COFFEE (REF, C). THIS MEASURE WAS TAKEN, ACCORDING TO THE IBC, IN ORDER TO ASSURE AN ADEQUATE SUPPLY OF THIS TYPE COFFEE TO THE DOMESTIC COFFEE INDUSTRY. THE IBC HAS SO FAR TAKEN NO OTHER MEASURES TO RESTRICT COFFEE EXPORTS QUANTITATIVELY.

2. IBC PRESIDENT CALAZANS STATED IN MID-MAY (BEFORE THE RECENT FREEZE--SEE NEXT PARAGRAPH) THAT THE JULY EXPORT REGISTRATIONS WOULD NOT BE OPENED IF PRICES DID NOT IMPROVE FROM THEIR RELATIVELY DEPRESSED (FROM THE BRAZILIAN POINT OF VIEW) LEVELS OF THE FIRST HALF OF

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MAY (REF. D).

3. IT IS DIFFICULT TO PREDICT WHETHER THE GOB WILL TAKE MEASURES TO RESTRICT COFFEE SALES IN THE NEAR FUTURE. THE EARLY COLD WAVE THAT HIT PARANA IN RECENT DAYS (REF. B) HAS RAISED THE SPECTER OF ANOTHER SERIOUS FROST IN BRAZIL'S MAJOR COFFEE PRODUCING REGIONS. BOTH

CALAZANS AND MINISTER OF COMMERCE AND INDUSTRY ANGELO CALMON DE SA CONTINUE TO ASSERT THAT THE GOB IS NOT CONTEMPLATING AN EXPORT BAN (JORNAL DO BRASIL, MAY 19). CALAZANS ADMITTED THAT A BAN COULD BE IMPOSED AFTER A SEVERE FROST, IF ONE SHOULD OCCUR, BUT HE HINTED THAT SUCH A BAN WOULD BE TEMPORARY AND WOULD LAST ONLY LONG ENOUGH FOR THE IBC TO ASSESS CROP DAMAGE.

4. CALMON DE SA INDICATED ON MAY 18 (REPORTED IN O GLOBO OF MAY 19) THAT THE IBC WOULD ANNOUNCE SEVERAL NEW MEASURES MAY 20. HE DID NOT INDICATED WHAT THESE MEASURES MIGHT BE, BUT PRESS SPECULATION IS THAT MEASURES MIGHT INCLUDE SOME FORM OF EXPORT "CONTINGENCIAMENTO", E.G. A SCHEME THAT WOULD REQUIRE COFFEE MARKETERS TO RESERVE A PROPORTION OF THEIR COFFEE FOR THE DOMESTIC MARKET (REF D), IBC ANNOUNCEMENT WILL BE REPORTED PROMPTLY.
CRIMMINS

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NNN

Message Attributes

Automatic Decaptioning: X
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Current Classification: UNCLASSIFIED
Concepts: COFFEE, TRADE CONTROLS
Control Number: n/a
Copy: SINGLE
Sent Date: 20-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01-Jan-1960 12:00:00 am
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Film Number: D770180-1031
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From: BRASILIA
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Litigation Codes:
Litigation History:
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